

Appendix D

Frequently Asked Questions

The Authority to Spend

What is the “Pay Act” and how is the percentage increase to salary figured?

The Pay Act refers to the annual Federal pay increase enacted into law by Congress. This usually goes into effect at the beginning of the first complete pay period in January of each year. This includes both the national pay increase (Cost of Living Adjustment (COLA)) and locality pay.

National Pay Increase: The national pay increase or Cost of Living Adjustment (COLA) amount is based upon the Consumer Price Index (CPI), which is published by the Bureau of Labor Statistics. The annual adjustments, which reflect changes in the cost of living, are based on an average CPI for a given time period in 1 year as compared to the same time period the previous year. The actual percentage increase to salary is approved by Congress and enacted into law.

Locality Pay: Locality pay was authorized in the 1990 Federal Employees Pay Comparability Act (FEPCA). The law was enacted to reduce the gap between Federal and private sector salaries, in varying amounts depending on the locality (metropolitan) area in which you work, as recommended by a Federal Salary Council, and based upon Department of Labor statistics surveys. The Law called for pay increases to reduce gaps by 20 percent the first year, with an additional 10 percent each year for 9 years. However, because of budgetary constraints, increases have been held below planned incremental levels.

Planning to Spend

How are funds allocated down to the field level? Why are funds allocated to programs not requested by the field?

When the Appropriation Bill is signed (usually in late September), Congress gives APHIS the authority to spend appropriated funds. The Office of Management and Budget (OMB) then apportions the amount to USDA who in turn allots the amount to APHIS. Once APHIS receives the allotment, FMD allocates the predetermined amount (through the earlier discussions and meetings) to each program manager who in turn suballocates to the regions. The regions then can suballocate further to the area or work units as their Program Deputy Director feels needed. In some cases, Congress may appropriate more funds to a program than was requested because more of that program's activities are desired. This process is described in detail in Chapter 4, Planning to Spend, of the Budget and Accounting Manual.

How are revised operating plans prepared? Why do we need operating plans? Wouldn't an annual plan, by major budget object class (BOC) be sufficient?

The financial operating plans are the end result of the budget process. Fund holders must know how they plan to use funds at the time they request a budget. This plan is an important tool to a fund holder to manage funds. Once a plan is in place (equal to the fund holder's allocation), the fund holder manages funds by comparing spending to the plan. The fund holder can determine how much funds were planned, how much funds are left, and what remains in the plan to be accomplished.

Plans should be revised when the allocation amount increases or decreases. It is not necessary to revise a plan to move dollars from one object class to another. (See Chapter 4, Budget and Accounting Manual, for more detailed information).

What information is required on a procurement request?

A procurement request is required before a purchasing transaction can be completed. The request however, does not need to be on the AD-700, Procurement Request, it just needs to contain the relevant data. Procurement requests are accepted by mail to 100 N. 6th Street, Butler Square, 5th Floor, Minneapolis, MN 55403. You may submit your requisition electronically via PRISM. Requests can be phoned in to (612) 336-2136 or sent by facsimile to 612-336-2110.

How is a motor pool accounting code changed?

A motor pool accounting code may be changed by using a Form AD-643, Transmittal-GSA Motor Pool. Follow instructions in NFC Procedures Manual, Title II, Chapter 4, Section 2 and see the completed sample form at the end of this appendix.

Keeping Track of Spending**What is APHIS' policy on the use of the travel credit card?**

Use of the card is limited to expenses incurred for officially authorized Government travel. Employees may **NOT** use the Government contractor-issued charge card to pay for personal expenses. Use of the card for unauthorized expenditures can lead to disciplinary action. Please refer to the Federal Travel Regulations for more detailed information on this subject.

Distributing Overhead**What is the difference between departmental charges and agency support?**

Departmental charges are the centralized activities used by the Agency, but managed by the Department at that level (i.e., postage, FTS, NFC Payroll, and Office of Worker's Compensation). Agency support includes activities that provide support to or benefit all Agency units. Most support activities are performed at headquarters. MFSB and Agency training programs are administered from headquarters, but are conducted at various locations. Agency support activities include Legislative and Public Affairs, Office of the Administrator, Marketing and Regulatory Programs Business Services, and Policy and Program Development operations.

Status of Funds**What are add-ons? Why were specific object class codes chosen over others?**

Add-ons are the estimated total costs for certain non-recurring sub-object classification (SOC) codes for the remainder of the fiscal year. The preferred terminology is "non-recurring" obligations. Because non-recurring obligations are those that occur once, sporadically, or infrequently, they should not be included in straight line projections since doing so would overstate projected obligations. SOC codes vary from one program to another depending on the specific needs of each program. Each program identifies in which SOC codes its non-recurring obligations will appear.

Status of Funds
(Continued)

Certain object class codes are used because they are more likely to be items that occur infrequently throughout the year, e.g., equipment purchases or relocation costs. The “How to Prepare a Status of Funds” Section of Chapter 7 provides more information on non-recurring obligations.

On a user fee status of funds, what charges are incorporated in object class 2558 (overhead); and what is included in staff overhead?

User fee status of funds reports take into consideration all overhead associated with providing the user fee service(s). Overhead includes local administrative support costs, Agency overhead and Departmental charges. Administrative support costs include local clerical and administrative activities, indirect labor, travel and transportation for personnel, supplies, equipment, training, general supplies, contractual services, grounds maintenance, and utilities.

Agency overhead is the pro-rata share, attributable to a particular service, of the management and support cost for all Agency activities. Included are the cost of providing budget and accounting services; management support, including the Administrator’s office and support at the regional level, personnel services; public information service; and liaison with Congress.

Departmental charges are APHIS’ share, expressed as a percentage of the total cost, of services provided centrally by the U.S. Department of Agriculture (Department). The Department manages the billing for the following services: Federal telephone service; mail; NFC processing of payroll, billing, collections, and other money management; unemployment compensation; Office of Workers Compensation Programs; and central supply for storing and issuing commonly used supplies and Department forms.

The “Costs Included in the Fees” section of Chapter 10 gives a complete discussion of costs included in user fees, and Chapter 6 provides additional information on overhead.

How does APHIS project obligations for the status of funds? Are straight-line projection methods used?

Analysts develop status of funds reports based on the latest available accounting data, adjustments, and non-recurring information. Analysts review all known information, including the current rate of spending and historical spending trends, then project balances at year-end. These projections are done using the most appropriate method which may include straight-line, historical, cyclical, or seasonal methods.

APHIS deals with both recurring and non-recurring types of expenditures, and must therefore be careful to exclude non-recurring costs from straight-line projections in order to avoid overstating projected expenses, and to have accurate and reliable status of funds reports.

One's approach to doing a household budget can be used as an analogy in determining recurring and non-recurring items and straight-line projection methods. Each month an individual makes rent/mortgage, utility, and grocery payments. These **recurring** expenses generally can be straight-line projected for a given period of time. However, if a refrigerator has to be replaced, or repairs are made, these **non-recurring** expenses occur infrequently and should not be projected for the remainder of the budgeting period.

Year-End Closing

What happens to the year-end data after it goes to the Financial Management Division (FMD)?

The data received in FMD is reviewed, analyzed, and used to make adjustments to the data reflected in our final official Consolidated Financial Statements for USDA agencies' reports from FFIS. There is very little time between the receipt of the adjustments from the program units and the time FMD must submit the final figures to NFC. Because of the time limitation, we must rely heavily on the program unit inputs. Therefore, it is very important for the program units to know their accounts and activity and submit accurate data as adjustments. The adjustments are provided to NFC by FMD to record as our final official figures to close the fiscal year.

Year-End Closing **(Continued)**

In addition to FMD's submission of the adjustments to NFC, it is the responsibility of the programs to record the actual documents (that were submitted to FMD) in FFIS for the fund holders. These adjustments should be made sometime in October to be reflected in the October/November FFIS reports. If these adjustments are not made in FFIS, the amounts reflected in the reports will not be in agreement with the General Ledger accounts.

What is our responsibility for prior year reconciliation?

Reconciliation to the prior year accounts is as important as reconciliation for the current year. Since the law changed to eliminate the M account, we must reconcile prior year accounts carefully to ensure that we do not violate the anti-deficiency act for 5 more years until the account is closed by Treasury. It should be relatively easy to reconcile the prior year accounts, especially after the first year with the activities reducing significantly. In the case of no-year accounts, funds de-obligated in a prior year become available to spend in the current year.

How does NFC estimate the accrual for monthly salaries?

As part of the month-end closing process, NFC calculates an accrual of salaries payable. An accrual is a self reversing placeholder for expenditures that will be recorded later. This accrual is recorded as budget object class 1199 on the Detail Transaction Report. Payroll estimates are calculated based on the number of work days from the last posted pay period to the end of the month. For example, pay period 15 has 3 of 10 (or 30%) work days in July 2002. The percentage is then multiplied by payroll costs (for budget object classes 1101-1276) two pay periods prior. An example follows:

Accounting code	2523405030
PP 13 Payroll	\$36,296.11
Percent	30%
Actual 1199 Estimate for July	\$10,888.83 ¹

The accrual would be \$10,888.83 in FFIS in accounting period 10/02 (Fiscal month 10 = July).

¹ The difference is due to rounding.

Cash Management

What is the total allowable advance request on TDY? On relocation?

A cash advance must not exceed the sum of the cash transaction expenses anticipated during authorized travel (including travel incident to change of station) that an employee cannot charge to a Government contractor-issued charge card.

Government Contractor-Issued Credit Cardholders: The limit on travel advances for Government contractor-issued credit cardholders is the miscellaneous and incidental expenses (M&IE) portion of the per diem rate for the location(s) to be visited multiplied by the number of official travel days authorized, and 100% of the miscellaneous expenses (out-of-pocket expense for tolls, parking, taxis, etc.) authorized.

Non-Government Contractor-Issued Credit Cardholders: The limit on travel advances for non-Government contractor-issued credit cardholders is 80% of the per diem rate for the location(s) to be visited multiplied by the number of official travel days authorized, and 100% of the miscellaneous expenses authorized.

The maximum amount of travel advance that can be approved for extended periods of temporary duty or relocation travel is \$5,000. An advance of \$7,500 may be approved by the Administrator under extenuating circumstances. (See Chapter 11, Cash Management, for more details on this subject).

How do I set up a user fee account so I can charge my services instead of paying by cash, check, or credit card?

To establish credit for user fee services, complete an APHIS Form 192, Application for Account and Credit Services, and forward it to the Accounts Receivable Team, MFSB. It is recommended that accounts be set up for customers who use their account at least 5 times per year. The Accounts Receivable Team will perform a credit check and if a client's records are satisfactory, an account number will be assigned.

Debt Management

What are “write-off” procedures?

Write-off procedures are associated with managing accounts receivable and delinquent debts owed to APHIS. To write-off a debt means that we will remove an uncollectible debt from our accounts receivable by making the proper journal entries in the general ledger maintained at NFC. These procedures typically are performed by MFSB after they have exhausted all possible debt collection actions on an overdue bill, and are still unable to collect the debt. Chapter 12, Debt Management, contains more information on write-off procedures.

NFC Feeder Systems

How do I obtain access to NFC property and/or procurement systems?

An NFC ID (with password) enables a customer to access various NFC systems. The Administrative Support Team (AST) in Minneapolis processes requests for employees (both APHIS and AMS) to gain access to either property and/or procurement data bases for purposes of either inquiry and/or editing. (For first time NFC users, the Administrative Team also requests an NFC ID number, along with any systems access). In addition, when access is granted, AST gives the users information on how to use the systems.

FFIS

What is FFIS?

Foundation Financial Information System (FFIS) is APHIS' new accounting system which has replaced the Central Accounting System (CAS) in Fiscal Year 2001. FFIS is a table-driven, off-the-shelf software package purchased from American Management Systems, Inc. It complies with laws requiring agencies to follow Standard General Ledger (SGL) accounting practices.

Reference Tables

How do the reference tables such as FUND, DVSN, ORGN, etc..... relate to the budget analyst users?

Our accounting classification code structure (ACCS) is made up of the budget fiscal year (on the BFYS table), fund (on the FUND table), division (on the DVSN table), organization (on the ORGN table), sub organization (on the SORG table), and reporting category (on the RPTG table). We use the program field to house the short hand accounting code and the program table (PGMT) further defines the program class (PCLS table) and group (PGRP table). Each of these tables is an important reference table which must be in existence before any spending can occur. Many of these are behind the scenes, and the budget analyst rarely needs to query them. However, there are some that should be validated, especially at the beginning of each fiscal year. These tables are handy when generating reports from the FDW.

PGMT: Validate that all of your valid accounting codes are on PGMT. Validate that the program class and group are accurate. See Exhibit 5-4 and 5-5 for program classes and groups. Validate that the program name is accurate.

ORGN: Validate that the organization is on ORGN. Validate that the reporting organization(s) is (are) correct. The reporting organization is used to “point” an organization to its next higher level for reporting purposes.

A PPQ example follows:

Organization 8325 (Cargo Miami Inspection) and other codes will roll to 8328 (Miami).

Organization 8328 and other codes will roll to 8320 (Florida).

Organization 8320 and other codes will roll to 8200 (Eastern Region-Southern States).

If the PPQ budget analyst asks for a BRIO report for all of Florida’s activity, every organization code pointing to 8320 (like 8328) will be on that report. Activity for 8325 will also be included because it falls under 8328.

Reference Tables
(Continued)

SORG: Validate that the proper sub organization is listed for each of your organizations. The sub organization corresponds to the GSA state or country code usually. Sometimes, there is more than one entry for the same organization. That is because the accounting code defaults to one state/country code and the default sub organization can be overridden when a document is directly entered into FFIS (contracts, agreements, etc). To override the default, the organization and sub organization combination must exist on SORG. Look on DVAL to see what the default sub organization is for a particular program code.

List all proposed changes and additions you would like to make to PGMT, ORGN, and SORG and have it reviewed at the correct level for your organization. Forward approved changes to the Functional Administrator. The changes will be entered within 2 business days of notification.

Where did the valid accounting codes entered into FFIS come from?

Each of the program units (Divisions in FFIS terminology) provided FMD with a list of valid accounting codes. The organization level(s) pertaining to each accounting code was determined by the Unit Hierarchy table for those using the Status of Funds system. The reporting category was derived from the last three digits of the accounting code. The sub organization (state code) was derived from a number of sources. For example, if the description has a state mentioned, we used that. We also used the area code in MASC.

How are spending controls set in FFIS?

Spending controls are set when budget documents (appropriation/apportionment, allocation, and allotment) are entered by MRPBS FMD employees in Riverdale. The control is at the FUND and DVSN level. So, practically speaking, spending controls at the program unit level and below have not changed under FFIS. Each program unit and region develops plans and monitors spending compared to their plan during the monthly status of funds process. FFIS will not allow spending to exceed the available funding at the FUND level.

Adjustments and Period-End Estimates in FFIS

When creating an adjustment or period-end estimate, what is the recommended number of lines that should be entered on a document?

We recommend that you limit the number of lines per document to 30 lines. We suggest this limit so that errors on a rejected document can be more easily resolved.

Will the adjustment or period-end estimate I enter in FFIS today, update the system tomorrow?

When you successfully run a document in FFIS (such as a B2 or YE), the document immediately updates the general ledger in FFIS. However, your FDW BRIO reports will be updated the next day because the data warehouse is updated nightly.

Wildlife Services received money at the last minute at the end of the year. They knew they would spend the money, but did not have time to complete a proper procurement and get it in the accounting system, so they entered a period-end estimate. Is this the correct way to handle this situation?

This is an Appropriation Law question. If an obligation is already in place by way of a purchase order or an agreement, etc..., but the transaction has not been entered into the accounting system, you should enter a YE/UN to account for these unexpended obligations. You **cannot** set aside funds if there is no supporting obligating document dated on or before 9/30/XX.

**Vendor-Related
Questions**

In FFIS, can I tell if a vendor has been paid?

Yes, you can! Depending on what you know (invoice number, vendor id, vendor name) you can go to certain tables in FFIS to determine if a vendor has been paid or not, and what date the vendor has been paid. You can even have the check number. Detailed procedures have been sent to FFIS users.

Transfer of Allocations

How will transfer of allocations between APHIS programs/ support units be handled in FFIS?

Much like they are now except you must identify the accounting code at both ends of the transactions. If the two accounting codes have the same fund, an e-mail to FMD will get the allocations updated.

If the two funds do not match, contact Stacey Teachman at **MRPBS FMD-BEST @APHIS.USDA.GOV** for instructions.

What are prior year recoveries?

In no-year accounts, obligations may be de-obligated in a prior year and made available to spend in the current year thus creating a recovery. Example: Fund 11 BFY 2002 de-obligated \$1 million is now available to spend in Fund 11 BFY 2003. This only occurs in no-year funds. Currently, APHIS no-year funds are 12, 41, 60, 72, 73, 75, 76, 77, 78, 79, 83, and 85.